

STATE HAVING A TOTAL PAID-IN CAPITAL OF AT LEAST \$1,000,000. THE TRUST DEPARTMENT OF ANY STATE OR NATIONAL BANK OR SAVINGS AND LOAN ASSOCIATION MAY BE DESIGNATED AS A DEPOSITORY TO RECEIVE ANY SECURITIES ACQUIRED OR OWNED BY THE FOUNDATION. THE RESTRICTION WITH RESPECT TO PAID-IN CAPITAL MAY BE WAIVED FOR ANY QUALIFYING BANK OR SAVINGS AND LOAN ASSOCIATION THAT AGREES TO PLEDGE SECURITIES OF THE STATE OR OF THE UNITED STATES TO PROTECT THE FUNDS AND SECURITIES OF THE FOUNDATION IN AMOUNTS AND UNDER ARRANGEMENTS ACCEPTABLE TO THE FOUNDATION.

(B) AFTER BEING DEPOSITED IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION, ANY MONEY OF THE FOUNDATION, IN THE DISCRETION OF THE BOARD OF TRUSTEES AND UNLESS OTHERWISE PROVIDED IN ANY AGREEMENT OR COVENANT BETWEEN THE FOUNDATION AND THE HOLDERS OF ANY OF ITS OBLIGATIONS LIMITING OR RESTRICTING CLASSES OF INVESTMENTS, MAY BE INVESTED IN BONDS OR OTHER OBLIGATIONS OF, OR GUARANTEED AS TO PRINCIPAL AND INTEREST BY, THE UNITED STATES, THE STATE, OR THE POLITICAL SUBDIVISIONS OR UNITS OF THE STATE.

(C) THE FOUNDATION SHALL PROVIDE FOR A SYSTEM OF FINANCIAL ACCOUNTING, CONTROLS, AUDITS, AND REPORTS.

(D) THE BOOKS, RECORDS, AND ACCOUNTS OF THE FOUNDATION ARE SUBJECT TO AUDIT BY THE STATE.

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(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, IN EXERCISING ITS POWERS, THE FOUNDATION:

(1) IS EXEMPT FROM THE PROVISIONS OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE PROVISIONS OF DIVISION I OF THE STATE PERSONNEL AND PENSIONS ARTICLE THAT GOVERN THE STATE PERSONNEL MANAGEMENT SYSTEM, THE PROVISIONS OF DIVISION II AND TITLE 37 OF THE STATE PERSONNEL AND PENSIONS ARTICLE, AND THE PROVISIONS OF ARTICLE 78A OF THE CODE; AND

(2) MAY CARRY OUT ITS CORPORATE PURPOSES WITHOUT OBTAINING THE CONSENT OF ANY DEPARTMENT, BOARD, OR AGENCY OF THE STATE.

(B) THE FOUNDATION IS SUBJECT TO THE PROVISIONS OF THE STATE FINANCE AND PROCUREMENT ARTICLE TO THE EXTENT OF STATE APPROPRIATIONS, IF ANY.

SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial members of the Board of Trustees shall expire as follows:

- (1) Six members in 2001;
- (2) Four members in 2000; and
- (3) Four members in 1999.